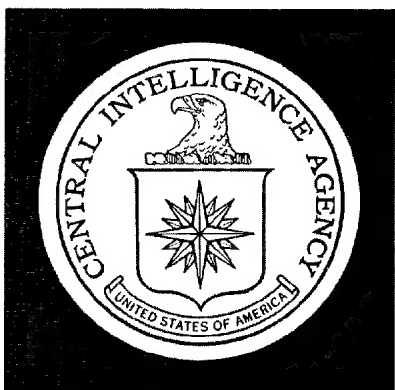


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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

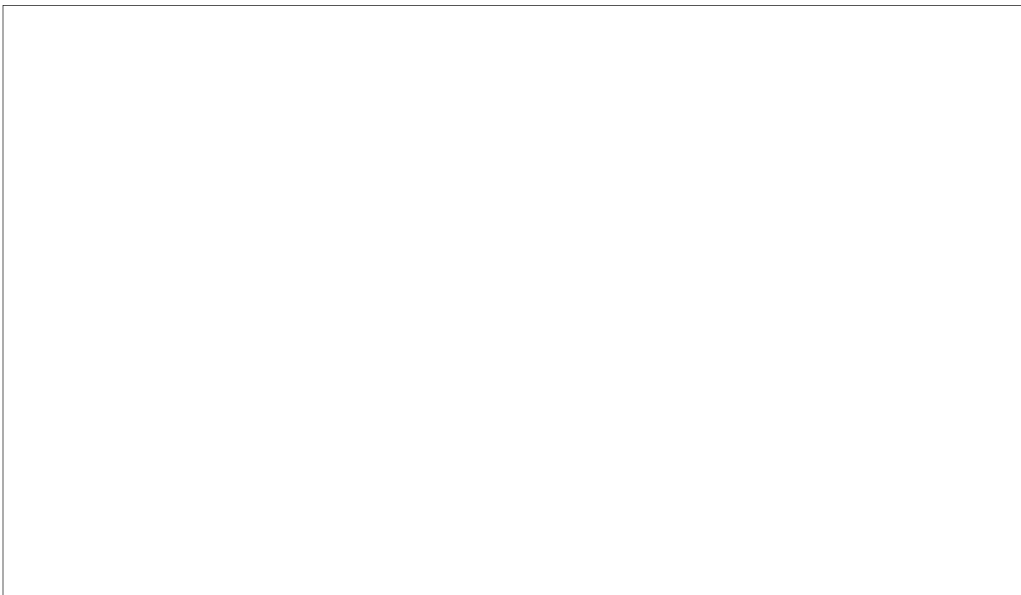
*Foreign Shipping to North Vietnam
During August 1968*

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ER IM 68-122
September 1968

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Foreword

The data in this memorandum are preliminary and subject to modification as additional information becomes available. Significant changes may occur in ship arrivals and cargoes from Communist China and, to a lesser extent, in cargoes carried by ships of the Free World. Soviet and Eastern European ship arrivals and cargoes and Free World arrivals are not likely to be changed significantly. To reflect changes in previous reports, a table showing monthly arrivals, by flag, is included in this memorandum. Weights of cargoes are expressed in metric tons. Because of rounding, components may not add to the totals shown.

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
September 1968

INTELLIGENCE MEMORANDUM

Foreign Shipping to North Vietnam
During August 1968

Summary

Foreign shipping to North Vietnam in August -- 34 ship arrivals and imports of 133,000 tons -- was at its lowest level since February. Soviet arrivals were down sharply, but Chinese arrivals returned to levels comparable to those in the first half of 1968 (see the chart). Congestion in Haiphong remained high. The average number of dry cargo ships in port per day fell only slightly -- from 30 ships in July to 28 in August -- whereas the average layover time for dry cargo ships departing Haiphong rose from 25 days in July to 32 days in August. Congestion may worsen in September as the result of tropical storms in the first half of the month which have caused collisions and groundings and have delayed departures.

More than half of all imports in August were foodstuffs. Deliveries of foodstuffs dropped slightly (to 69,000 tons), bringing the total for the year to 511,000 tons, 11 percent higher than the foodstuff deliveries for all of 1967. Eighty-five percent of the food imports in the first eight months of 1968 came from China (253,000 tons) and the USSR (188,000 tons); most of the remainder originated in Cuba (35,000 tons) and Eastern Europe (34,000 tons).

Petroleum deliveries dropped to 13,000 tons, their lowest level in 11 months and about one-third of the monthly average for January-July 1968. The

Note: This memorandum was produced solely by CIA. It was prepared by the Office of Economic Research and information on ship arrivals was coordinated with the Naval Intelligence Command.

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pressure on storage capacity caused by the previous high level of petroleum imports may be easing, as deliveries of more than 30,000 tons are expected in September. Imports of general and miscellaneous cargo in August were 45,000 tons, higher than in July but lower than the monthly average for January-July, and fertilizer imports were 5,400 tons, only one-third of the average for January-July. No sea-borne imports of arms or ammunition were detected during August.

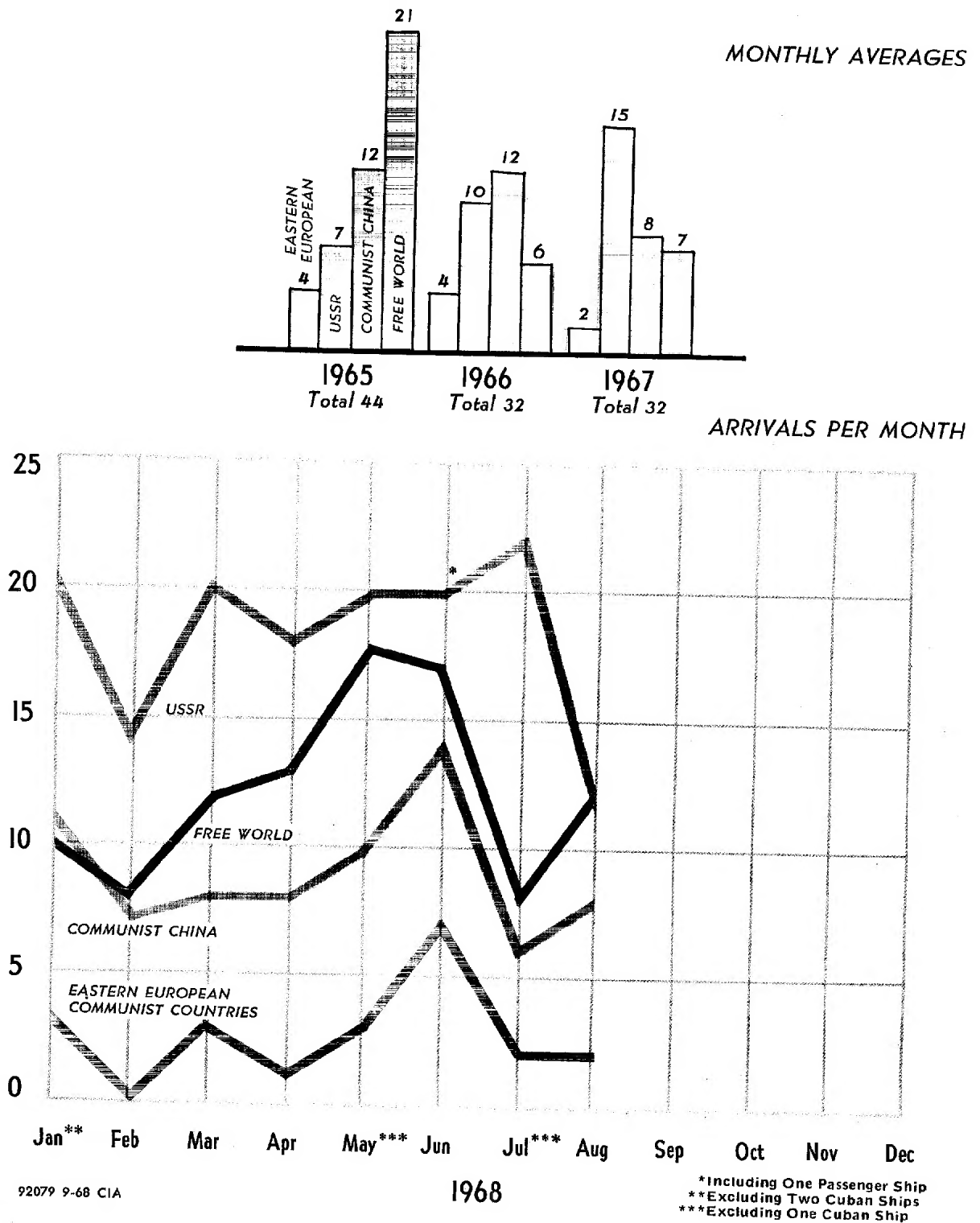
Seaborne exports in August totaled only about 50,000 tons, the lowest monthly level in five months. Coal exports dropped to 43,000 tons, continuing a decline from their 1968 high of about 76,000 tons in April. North Vietnamese press reports acknowledge the underfulfillment of coal production plans and attribute it to mismanagement.

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North Vietnam: Foreign-Flag Ship Arrivals

Figure 1



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Situation at the Ports

1. The sharp drop in foreign ship arrivals and imports since June* brought only minor relief to congested Haiphong (see the map) in August. The average number of foreign dry cargo ships in port per day decreased from 30 in July to 28 in August. The average layover time for departing dry cargo ships increased from 25 days in July to 32 in August, only one day less than the record high in August 1967. The persistence of a high level of congestion in July and August can be attributed largely to the backlog of ships caused by the near record number of arrivals in May and June and to a drop in the discharge rate at Haiphong due to the disruption of cargo operations by heavy monsoon rains. Continuing rains and tropical storms in the first half of September may further aggravate congestion. There have been numerous reports of collisions and groundings in Haiphong, and several ships have postponed their September departures to avoid Typhoon Wendy.

2. Photography of the port area in Haiphong during the third week of August reveals cargo in open storage at about the same level as in July and little change in the levels of truck, train, and barge activity despite the monsoon rains. However, photography of the main rail line and highway between Haiphong and Hanoi for the same period indicates that both of these key arteries for the movement of imports to the interior were temporarily blocked by floods. The duration of this blockage and its effect on the movement of goods out of Haiphong are not known.

Arrivals

3. Foreign ship arrivals continued to decline from the near record level of 58 in June. There were 34 arrivals in August, a sharp drop from the monthly average for January-July but higher than the monthly average of 32 arrivals in 1967. Soviet arrivals fell the most in August and were at their lowest level for the year, whereas arrivals of other flags were only slightly below monthly averages for January-July as shown in Tables 1 and 2 and in the following tabulation:

* The monthly averages during the first half of 1968 were 45 arrivals and 175,300 tons of imports; during July and August, monthly averages were down to 36 arrivals and 142,300 tons of imports.

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	1968		
	<u>July</u>	<u>August</u>	<u>Monthly Average January-July</u>
<i>Total</i>	39	34	44
Communist coun- tries	<u>31</u>	<u>22</u>	<u>32</u>
USSR	22	12	19
Eastern Europe	2	2	3
Communist China	6	8	9
Cuba	1	..	..
Free World	<u>8</u>	<u>12</u>	<u>12</u>

4. The 12 Soviet arrivals delivered 39 percent of total seaborne imports in August, compared with 45 percent for the January-July period. Arrivals from the Black Sea returned to their normal level of three per month after climbing to seven in July. (For additional detail on arriving and departing ships, see Tables 3 and 4.) The reduced level of Soviet shipping to North Vietnam in August could reflect a desire on the part of the USSR to wait for an easing of congestion at Haiphong.

5. Eight Chinese ships arrived in August -- five with cargoes from South China, one with cargo from Rumania and Italy, and two in ballast. In July, only one of the six Chinese arrivals carried cargo, and that ship loaded in Rumania. Chinese ships delivered 15 percent of seaborne imports in August, compared with a record low of 5 percent in July. One of the two Eastern European ships that arrived in August remained in North Vietnam for only one day. It discharged two tugboats and some spare parts onto lighters while anchored in the outer roads of Haiphong, and then departed for Europe.

6. Arrivals of Free World ships increased from 8 in July to 12 in August. They delivered 43 percent of all seaborne imports. Ten of the Free World arrivals carried cargo (nine British-flag ships from North China and one Cypriot-flag ship from Eastern Europe) and two came in ballast (a Cypriot-flag ship that called twice) to load coal at Cam Pha. Ten Free World ships departed in August -- six in ballast and four with cargo.

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~~SECRET~~Cargoes

7. Seaborne imports fell to 132,500 tons in August, their lowest level since February (see Table 5).^{*} Imports from the USSR fell from their high for the year of 87,400 tons in July to 50,400 tons in August, while imports from China rose from 34,100 tons in July to 63,400 tons in August. Bulk food (68,800 tons) accounted for more than half of the total imports in August and, as shown in the following tabulation, was the only category whose volume was higher in August than the monthly average for January-July:

Thousand Metric Tons						
<u>Monthly Average</u>						
1968						
<u>Cargo</u>	<u>1967</u>	<u>Jan-Jul</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
<i>Total</i>	118	172	221	217	152	133
Bulk food	38	63	97	83	74	69
Fertilizer	13	16	20	16	19	5
Petroleum	21	35	40	33	23	13
Timber	1	2	4	..	4	..
General and miscel- laneous	45	55	60	85	32	45

8. Almost three-quarters of the bulk food delivered in August came from Communist China (51,300 tons)** and consisted of rice, corn, potatoes, and

^{*} Since at least 1965, the volume of imports during the months of July, August, and September has been below the monthly average for the year. This apparent seasonal pattern may reflect, in part, the monsoon rains during this period which make off-loading operations and the inland movement of goods more difficult. Precipitation is normally heaviest at Haiphong during these three months.

^{**} Bulk food deliveries to North Vietnam from Communist China in 1967 and in January-July 1968 made up 46 percent of total bulk food imports. The unusually high percentage of food deliveries from China in August is [footnote continued on p. 6]

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lard. The remainder of the bulk food imports came from the USSR (14,800 tons) and Eastern Europe (2,600 tons). Bulk food delivered to North Vietnam for the first eight months of 1968 totaled 510,600 tons, compared with 462,000 tons for all of 1967.

9. Petroleum imports by sea fell for the fourth consecutive month from the record high of 45,700 tons in April. Deliveries totaled 12,900 tons in August, the lowest total since October 1967. The abnormally high level of petroleum imports in the first half of 1968 apparently resulted in a buildup of inventories that taxed storage facilities and forced a sharp cutback in deliveries in July and August. The tanker *Yvonne*, temporarily under the Somali flag, remained at the Bach Dang anchorage throughout August and was used as floating storage.*

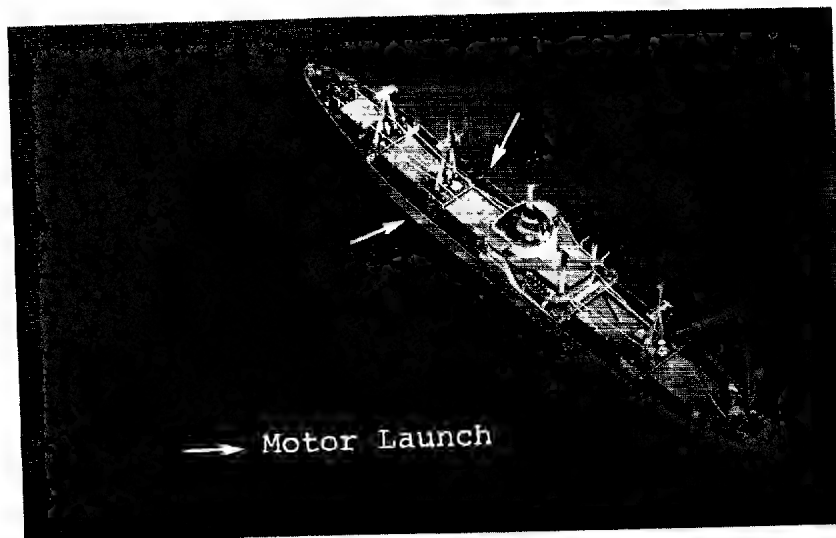
10. Seaborne imports of general and miscellaneous cargo increased from 32,200 tons in July to 45,400 tons in August, but remained 10,000 tons below the monthly average for January-July.** Deliveries from Communist China accounted for most of the increase, rising from 2,500 tons in July to 12,000 tons in August, and included zinc sheets, communications equipment, and steel products. General and miscellaneous cargo from the USSR reached its second highest level in 1968 -- 20,500 tons -- and consisted largely of structural and sheet steel, tinplate, railroad freight cars, construction equipment, wire, and pipe. Deliveries from Eastern Europe (12,000 tons) were about the same as in July and included steel products, machinery, chemicals, soap, motor launches (see the photograph), and truck trailers. Seaborne imports of fertilizer fell

probably related to the resumption of traffic between South China ports and North Vietnam, which was temporarily disrupted in late June and July.

* The *Yvonne* (8,997 GRT) returned to Haiphong from China on 16 July. On 4 September, it collided with the Soviet freighter *Salsk* (3,359 GRT), causing minor damage to both ships. Prior to the collision, it was scheduled to depart North Vietnam on 10 September.

** The commodity composition of 55 percent of the general and miscellaneous cargo imported in August has not been identified.

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*The Chinese Communist Ship, Chang Ning,
Anchored at Bach Dang Below the Maritime
Canal, 24 August 1968*

from 19,000 tons in July to 5,400 tons in August (3,300 tons from Italy and 2,100 tons from the USSR), the lowest monthly volume since April (4,300 tons). No seaborne imports of arms or ammunition were detected in August.

11. Seaborne exports in August (49,700 tons) were 20 percent below the July level (61,900 tons), as coal exports (43,300 tons) continued to decline from the 1968 high of 75,700 tons in April (see Table 6). Coal loadings at Cam Pha fell from 43,600 tons in July to 34,200 tons in August, and those at Hon Gai fell from 11,100 tons in July to 9,200 tons in August. All of the coal exports went to China (25,100 tons), Japan (16,700 tons), and Hong Kong (1,500 tons).

12. Photography of Cam Pha and Hon Gai for the June-August period shows a noticeable decrease in coal stockpiled at both ports. Recent discussions in the North Vietnamese press admit shortfalls in coal production caused by stress on fulfillment of production targets during the past several years at the expense of orderly preparation of the mines for sustained extraction and future development. A steady increase in domestic requirements for coal may also have reduced the amount available for export.

Table 1

North Vietnam: Foreign-Flag Ship Arrivals
January-August 1967 and 1968

Flag	January-August 1968								January-August 1967			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total Arrivals	Percent	Total Arrivals	Percent
Total	<u>46</u>	<u>29</u>	<u>43</u>	<u>40</u>	<u>52</u>	<u>58</u>	<u>39</u>	<u>34</u>	<u>341</u>	<u>100.0</u>	<u>277</u>	<u>100.0</u>
Communist countries	<u>36</u>	<u>21</u>	<u>31</u>	<u>27</u>	<u>34</u>	<u>41</u>	<u>31</u>	<u>22</u>	<u>243</u>	<u>71.3</u>	<u>227</u>	<u>81.9</u>
USSR	20	14	20	18	20	20	22	12	146	42.8	129	46.6
Eastern Europe	3	..	3	1	3	7	2	2	21	6.2	24	8.7
Albania	..	..	..	..	..	1	..	..	1	0.3	1	0.4
Bulgaria	..	..	..	..	1	1	..	..	2	0.6	4	1.4
Poland	3	..	3	1	2	5	2	2	18	5.3	19	6.9
Communist China	11	7	8	8	10	14	6	8	72	21.1	73	26.4
Cuba	2	..	..	..	1	..	1	..	4	1.2	1	0.4
Free World	<u>10</u>	<u>8</u>	<u>12</u>	<u>13</u>	<u>18</u>	<u>17</u>	<u>8</u>	<u>12</u>	<u>98</u>	<u>28.7</u>	<u>50</u>	<u>18.0</u>
Cyprus	1	1	..	..	3	2	..	3	10	2.9	5	1.8
Italy	..	..	1	..	..	..	..	..	1	0.3	1	0.4
Japan	..	..	..	..	1	..	..	..	1	0.3	..	..
Lebanon	..	..	..	1	..	1	..	..	2	0.6	..	..
Malta	..	..	..	..	..	1	..	..	1	0.3	3	1.1
Singapore	..	..	1	1	..	1	..	..	3	0.9	..	..
Somalia	2	..	2	0.6
United Kingdom	9	7	10	10	14	12	6	9	77	22.6	41	14.8
Unknown flag	1	1	0.3

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Table 2

North Vietnam: Tonnage of Foreign-Flag Ship Arrivals a/
July and August 1968, and January-August 1967 and 1968

Type of Ship and Flag	1968						1967	
	July		August		January-August		January-August	
	Arrivals	Thousand Gross Register Tons	Arrivals	Thousand Gross Register Tons	Arrivals	Thousand Gross Register Tons	Arrivals	Thousand Gross Register Tons
Total	<u>39</u>	<u>206.9</u>	<u>34</u>	<u>171.1</u>	<u>341</u>	<u>1,694.4</u>	<u>277</u>	<u>1,367.7</u>
Dry cargo	33	178.5	31	161.0	290	1,481.4	246	1,235.6
Tanker	6	28.4	3	10.1	51	213.0	31	132.0
Communist countries	<u>31</u>	<u>160.8</u>	<u>22</u>	<u>112.9</u>	<u>243</u>	<u>1,207.6</u>	<u>227</u>	<u>1,127.1</u>
USSR	22	109.5	12	58.5	146	697.7	129	657.4
Eastern Europe	2	14.7	2	18.4	21	160.4	24	187.6
Communist China	6	27.1	8	36.0	72	311.8	73	272.6
Cuba	1	9.5	..	..	4	37.6	1	9.5
Free World	<u>8</u>	<u>46.1</u>	<u>12</u>	<u>58.2</u>	<u>98</u>	<u>486.9</u>	<u>50</u>	<u>240.5</u>

a. The aggregate tonnage of ships calling does not necessarily reflect the actual volume of cargoes moving into and out of North Vietnam, but is of value as an indicator of relative changes in the volume of shipping.

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Table 3

North Vietnam: Origin of Foreign-Flag Ship Arrivals, by Flag
August 1968

Flag	Type of Vessel	Origin	Port of Arrival	Cargo	Charter ^{a/}	Number
USSR						<u>12</u>
	Tanker	USSR (Far East)	Haiphong	Bulk petroleum		3
	Dry cargo	USSR (Far East)	Haiphong	Bulk food		3
	Dry cargo	USSR (Far East)	Haiphong	Bulk food and general and miscellaneous		2
	Dry cargo	USSR (Black Sea)	Haiphong	General and miscellaneous		1
	Dry cargo	USSR (Black Sea)	Haiphong	Petroleum and general and miscellaneous		1
	Dry cargo	USSR (Black Sea)	Haiphong	Food, fer- tilizer, petroleum and general and miscellaneous		1
	Dry cargo	Japan	Haiphong	Fertilizer and general and miscellaneous		1
Eastern Europe						<u>2</u>
	Dry cargo	North Korea	Haiphong	General and miscellaneous		1
	Dry cargo	Eastern Europe	Haiphong	Food and general and miscellaneous		1

Table 3

North Vietnam: Origin of Foreign-Flag Ship Arrivals, by Flag
August 1968
(Continued)

Flag	Type of Vessel	Origin	Port of Arrival	Cargo	Charter ^{a/}	Number
Communist China						<u>8</u>
	Dry cargo	China	Haiphong	Bulk food		2
	Dry cargo	China	Haiphong	General and miscellaneous		1
	Dry cargo	China	Haiphong	Bulk food and general and miscellaneous		1
	Dry cargo	Eastern and Western Europe	Haiphong	Bulk food, fertilizer, and general and miscellaneous		1
	Dry cargo	China	Cam Pha	In ballast to load coal		2
	Dry cargo	China	Hon Gai	Bulk food		1
						<u>12</u>
Free World						
United Kingdom	Dry cargo	China	Haiphong	Bulk food	Communist China	5
	Dry cargo	China	Haiphong	General and miscellaneous	Communist China	2
	Dry cargo	China	Haiphong	Bulk food	North Vietnam	2
Cyprus	Dry cargo	Eastern Europe	Haiphong	Food and general and miscellaneous	North Vietnam	1
	Dry cargo	Hong Kong	Cam Pha	In ballast to load coal	North Vietnam	2

a. Data only for Free World ships, all under time charter.

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Table 4

North Vietnam: Destination of Foreign-Flag Ship Departures, by Flag
August 1968

Flag	Type of Vessel	Origin	Port of Departure	Cargo	Number
USSR					<u>10</u>
	Tanker	USSR (Far East)	Haiphong	In ballast	1
	Tanker	Singapore	Haiphong	In ballast	1
	Dry cargo	Singapore	Haiphong	General and miscellaneous (including transshipment cargo for Japan and Western Europe)	1
	Dry cargo	North Borneo	Haiphong	In ballast	1
	Dry cargo	USSR (Far East)	Haiphong	In ballast	2
	Dry cargo	USSR (Far East)	Haiphong	General and miscellaneous	3
	Dry cargo	Japan	Cam Pha	Coal	1
					<u>4</u>
	Dry cargo	Malacca	Haiphong	In ballast	1
Eastern Europe	Dry cargo	Eastern Europe	Haiphong	No cargo loaded	1
	Dry cargo	China	Haiphong	General and miscellaneous	1
	Dry cargo	Japan	Cam Pha	Coal	1
					<u>7</u>
Communist China	Dry cargo	China	Haiphong	In ballast	2
	Dry cargo	Hong Kong and Eastern Europe	Haiphong	General and miscellaneous (including transshipment to Western Europe)	1
	Dry cargo	China	Cam Pha	Coal	2
	Dry cargo	China	Hon Gai	Coal	2
					<u>2</u>
					<u>2</u>

Table 4

North Vietnam: Destination of Foreign-Flag Ship Departures, by Flag
August 1968
(Continued)

Flag	Type of Vessel	Origin	Port of Departure	Cargo	Number
Free World					<u>10</u>
United Kingdom	Dry cargo	Hong Kong	Haiphong	In ballast	2
	Dry cargo	China	Haiphong	In ballast	4
	Dry cargo	Japan	Cam Pha	Coal	1
Cyprus	Dry cargo	Hong Kong	Cam Pha	Coal	1
	Dry cargo	Japan	Hon Gai	Coal	1
Somalia	Dry cargo	Hong Kong	Haiphong	General and miscellaneous (including transshipment to Japan and France)	1

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Table 5

North Vietnam: Imports Carried on Foreign-Flag Ships a/
August 1968 and January-August 1967 and 1968

Flag	August 1968						Thousand Metric Tons	
	Foodstuffs	Fertilizer	Petroleum	Timber	Miscel- laneous b/	Total	January-August	
							1967	1968
Total	<u>68.8</u>	<u>5.4</u>	<u>12.9</u>	<u>0</u>	<u>45.4</u>	<u>132.5</u>	<u>1,014.0</u>	<u>1,336.6</u>
Communist countries	<u>28.0</u>	<u>5.4</u>	<u>12.9</u>	<u>0</u>	<u>29.5</u>	<u>75.8</u>	<u>803.2</u>	<u>903.6</u>
USSR	14.8	2.1	12.9	..	21.3	51.1	490.6	589.4
Eastern Europe	0.2	..	..	..	5.1	5.4	76.6	121.2
Communist China	12.9	3.3	..	..	3.1	19.3	223.8	158.4
Cuba	..	..	..	..	..	..	12.2	34.6
Free World	<u>40.8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15.9</u>	<u>56.7</u>	<u>210.7</u>	<u>433.0</u>

a. Imports include some estimates of cargoes, using methods which have proved to be highly reliable.
b. Including unidentified cargo of 25,000 tons. The volume of unidentified cargo will be reduced as additional information becomes available.

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Table 6

North Vietnam: Exports Carried on Foreign-Flag Ships a/
August 1968 and January-August 1967 and 1968

Flag	August 1968			Thousand Metric Tons	
				January-August	
	Coal	Miscellaneous	Total	1967	1968
Total	<u>43.3</u>	<u>6.4</u>	<u>49.7</u>	<u>473.4</u>	<u>476.0</u>
Communist countries	<u>34.8</u>	<u>6.0</u>	<u>40.8</u>	<u>409.1</u>	<u>401.7</u>
USSR	4.2	1.9	6.1	221.4	125.6
Eastern Europe	5.5	1.9	7.4	47.8	16.3
Communist China	25.1	2.2	27.3	134.4	258.9
Cuba	..	..	..	5.4	0.9
Free World	<u>8.5</u>	<u>0.4</u>	<u>8.9</u>	<u>64.3</u>	<u>74.4</u>

a. Exports include some estimates of cargoes, using methods which have proved to be highly reliable.

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